

Message Text

LIMITED OFFICIAL USE

PAGE 01 SAN JO 01270 020005Z

70

ACTION ARA-20

INFO OCT-01 ISO-00 AEC-11 AID-20 CEA-02 CIAE-00 CIEP-02

COME-00 DODE-00 EB-11 FEA-02 FPC-01 H-03 INR-10

INT-08 L-03 NSAE-00 NSC-07 OMB-01 PM-07 RSC-01 SAM-01

SCI-06 SPC-03 SS-20 STR-08 TRSE-00 PA-04 USIA-15

PRS-01 DRC-01 /169 W

----- 044293

R 012330Z APR 74

FM AMEMBASSY SAN JOSE

TO SECSTATE WASHDC 6656

INFO AMEMBASSY GUATEMALA

AMEMBASSY MANAGUA

AMEMBASSY SAN SALVADOR

AMEMBASSY TEGUCIGALPA

LIMITED OFFICIAL USE SAN JOSE 1270

E.O. 11652: N/A

TAGS: ENRG, CS

SUBJECT: PETROLEUM: RECOPE TRANSFER LAW AND FOREIGN

DISTRIBUTORS

REF: SAN JOSE 3906

1. THE LAW APPROVING TRANSFER OF OWNERSHIP OF THE RECOPE REFINERY TO THE GOCR IS BACK BEFORE THE ASSEMBLY FOR CONSIDERATION. BASICALLY, THE LAW IS THE SAME AS THAT DISCUSSED BEFORE THE ASSEMBLY LAST ADJOURNED (SEE REFTTEL). ONE VERY IMPORTANT ARTIRLCE HAS BEEN ADDED, HOWEVER.

2. THE NEW ARTICLE REQUIRES THAT RECOPE TAKE OVER PRODUCT DISTRIBUTION FROM THE CURRENT DISTRIBUTORS AS SOON AS THEIR CONTRACTS LAPSE, I.E., NO CONTRACTS WILL BE RENEWED. FURTHERMORE, IT STIPULATES THAT CONTROL OF DISTRIBUTION CAN

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 SAN JO 01270 020005Z

BE ASSUMED BY RECOPE AT ANY TIME IF SUCH IS CONSIDERED

IN THE NATIONAL INTEREST.

3. COMMENT: SINCE IT LOOKS AS IF THE RECOPE BILL WILL PASS WITH THIS NEW ARTICLE INTACT, THE DAYS OF THE FOREIGN DISTRIBUTOR IN COSTA RICA ARE PROBABLY NUMBERED. ESSO'S MANAGER HAS ALREADY CALLED THE EMBASSY TO ASK FOR ADVICE IN REGARD TO HIS STATUS IN COSTA RICA AND WE ARE PLANNING TO SET UP A MEETING BETWEEN THE THREE U.S. DISTRIBUTORS AND EMBOFFS IN THE NEAR FUTURE TO EXCHANGE VIEWS.

4. THE BILL WILL PROBABLY HAVE NO IMMEDIATE EFFECT. THE EXPIRATION DATES OF THE U.S. DISTRIBUTORS CONTRACTS VARY BUT ALL ARE GOOD UNTIL AT LEAST 1977, WITH SOME RUNNING UNTIL 1990. FROM A SHORT RUN POINT OF VIEW, IT DOES NOT APPEAR PROBABLE THAT THE GOCR WILL FIND IT IN ITS INTEREST TO

EXERCISE THE OPTION OF TAKING OVER BEFORE CONTRACTS EXPIRE.

5. WHETHER RECOPE TAKES OVER OR NOT THE TREND SEEMS TO BE TOWARD PULL OUTS BY THE FOREIGN DISTRIBUTORS. GULF LEFT LAST YEAR. WE KNOW THAT AT LEAST ONE ADDITIONAL FIRM IS SERIOUSLY CONSIDERING LEAVING, AND ALL COMPLAIN THAT PRICE STRUCTURES DO NOT MAKE COSTA RICA A PARTICULARLY ATTRACTIVE MARKET.

6. THIS ARTICLE WOULD ALSO BE IN LINE WITH ANOTHER IDEA GAINING HERE: A VERTICALLY INTEGRATED NATIONAL SYSTEM, WITH

PARTICIPATION OF VENEZUELAN
CAPITAL.
LANE

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PETROLEUM, LAW, REFINERIES, CONTRACTS
Control Number: n/a
Copy: SINGLE
Draft Date: 01 APR 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: MorefiRH
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974SANJO01270
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740072-0545
From: SAN JOSE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740477/aaaacswj.tel
Line Count: 92
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION ARA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: SAN JOSE 3906
Review Action: RELEASED, APPROVED
Review Authority: MorefiRH
Review Comment: n/a
Review Content Flags:
Review Date: 09 SEP 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <09 SEP 2002 by boyleja>; APPROVED <10-Sep-2002 by MorefiRH>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: PETROLEUM: RECOPE TRANSFER LAW AND FOREIGN DISTRIBUTORS
TAGS: ENRG, CS
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005